

## Reserve comments and recommendations

Reserve Name	Reserve Type	Balance (2013) (in millions)	General Comments	Recommendation
911 Communications Centre Capital Financing	Capital	\$8.821	A portion of 911 land line telephone charge is being contributed to reserve for future upgrades of communications centre. Reserve is being administered as per purpose. Additional changes to the reserve may be requested after the uncertainty of the Alberta Health Services (AHS) Dispatch contract is resolved and the future state of the business is clear.	Change the funding source to: "A portion of revenue generated from the monthly fee charged to Calgarians (charge per voice phone line)". Purpose of the change is to be clear that a not all of the fees received need be contributed to the reserve, a portion of the fees received may also be used to fund operating budget.
Calgary Police Services - Capital Reserve	Capital	\$28.361	Reserve used to fund police vehicles purchases, red-light camera program and other Pay-as-you-go capital assets. The reserve does have a reporting condition which is redundant as all capital expenditures are approved by Council through the budget process or budget adjustment process. Since all capital expenditures are already reported to and approved by Council, there is no need for a second report. Also, modify the purpose to be clear that red light camera funds contributed to the reserve can be used for CPS infrastructure requirements (FB2000-24).	Remove the following condition "The Calgary Police Commission, on an annual basis, will advise Council through the Standing Policy Committee on Priorities and Finance Committee on the disposition of funds drawn from the Pay-As-You-Go reserve." Amend the reserves purpose to: "4) To provide for the capital financing of the Red Light Camera program and other CPS infrastructure requirements". Add the following to the Funding Source: "Red Light Camera surplus funds".
Calgary Police Services - Court Fines Reserve	Operating	\$4.000	Contributed a court fines revenue surplus of \$4M in 2012. Funds to be used to offset future Court Fines Revenue shortfalls. No activity other than the initial contribution.	No council recommendation.
Calgary Police Services - Helicopter Maintenance	Operating	\$2.706	Reserve is used to smooth out helicopter maintenance costs. Contributions from operations based on estimated maintenance costs (scheduled maintenance and unscheduled repairs).	Amend the condition of the reserve to remove the following: "... or a one-time purchase contribution for a replacement helicopter." (the reserve is an operating reserve which is used for maintenance only.)
Fleet Services Capital Reserve	Capital	\$0.000	Currently, the only funding source is proceeds from the sale of surplus assets. Any Fleet operating surplus was transferred back to customers (other city departments) and general revenue through a Return on Equity (ROE). For Action Plan 2015-2018, Fleet is proposing a change in their business model which will eliminate the ROE and the requirement for Fleet to pay some of its administrative charges. This change will be reflected in an adjustment to Fleet's internal rates. Request amending the reserve to allow any Fleet operational budget surplus be contributed to the reserve. Funds can then be used for capital purchases thereby reducing debt financing.	Amend the funding source of the reserve to include: "Operational budget surpluses."
Golf Course Levy	Sustainment	\$0.327	Reserve is being administered as per purpose. However, alternate source of funding may be required as capital maintenance projects exceed current reserve balance and contributions. In addition, the reserve balance is not sufficient to pay Debt servicing costs. Debt servicing costs have and will continue to be paid from operations.	Edit the reserve purpose to: "To finance golf course capital projects and to fund any Golf course operating deficit". Remove the following condition "As outlined in report FB92-64 all capital requests will be funded from the Golf Course Levy Reserve through the normal capital budget process, with the project costs being financed from the reserve or through self-supported debentures. All debenture repayments must be made from the reserve."

Reserve Name	Reserve Type	Balance (2013) (in millions)	General Comments	Recommendation
Innovative Technology	Capital	\$15.867	Reserve is used to fund Information technology projects and PC replacements for city staff. Current purpose generic, does not define all capital currently being funded by reserve.	Amend reserve purpose to: "To fund information technology projects; fibre optics projects; and lifecycle replacement of city hardware and software. Change the name of the reserve to "Information Technology Reserve".
Lifecycle Maintenance and Upgrade Reserve	Capital	\$125.729	Funds to be used for lifecycle maintenance and upgrade capital projects. Reserve activity is monitored closely.	No change to reserve's purpose, condition or restrictions. However, reserve page in the annual reserve report can be streamlined to be easier to read. Please see attached for revisions.
Reserve for Future Capital	Capital	\$269.629	Reserve funds various capital projects, holds Pay-As-You-Go funding and capital projects contingency funding. Per PFC2014-0625, flood-related funds received from the province will be contributed to the RFC reserve. Funds to be used in future flood mitigation projects.	No change to reserve's purpose, condition or restrictions. However, reserve page in the annual reserve report can be streamlined. Please see attached for revisions.
Real Estate Reserve <sup>(1)</sup>	Sustainment	\$80.552	The reserve not being reviewed this year, however administration is requesting an amendment to the reserve. Funding source to be changed to be able to contribute sales commissions in order to sustainably fund real estate operations and provide business continuity.	Add the following to the reserve's funding source: "Proceeds from excess commissions."

<sup>(1)</sup> The Real Estate Reserve was reviewed in 2012. Subsequent to the review, the Office of Land Services and Housing is requesting a change to the reserve. The Administrative Reserve Review Committee reviewed the requested change and agreed to add the recommendation to this report rather than have OLSH create an entirely separate Council report for the request.